

**BWDA FINANCE LIMITED
("BFL")**



**TERMS AND CONDITIONS OF
APPOINTMENT OF
INDEPENDENT DIRECTORS**

The broad terms and conditions for appointment of Independent Directors are as under:

1. Terms of Appointment:

The term of appointment of an Independent Director of the Company will be for a period of 5 consecutive years from the date of his/ her appointment.

Independent Director shall not be liable to retire by rotation.

Appointment of every independent director shall be approved by members' of the Company. Independent Directors will be eligible for re-appointment for another term of 5 consecutive years, after the completion of their tenure of first 5 years, subject to Board approval, and the passing of a Special Resolution by Members.

2. Roles, Functions and Duties of Independent Directors

The role, functions and duties of Independent Director will be in conformity with Section 149(8) read with Schedule IV of the Companies Act, 2013 (hereinafter referred to as **Act**) including any statutory modifications, enactments, or re-enactments, thereof for the time being in force including in relation to attendance of meetings, maintenance of confidentiality, safeguarding the interests of the stakeholders, bringing objective judgement, asking clarifications, etc.

In addition, the conduct of Independent Directors will be governed by applicable law, including the guidelines for professional conduct set out under the Code of Independent Directors, as provided in Section 149(8) read with Schedule IV of the Act, the duties of directors as set out under Section 166 of the Act.

3. Expectations from Independent Directors:

Independent Director is expected to bring objectivity and independence of view to the Board's discussions and to help provide the Board with effective inputs in relation to the Company's strategy, performance and risk management as well as ensuring high standards of financial probity and corporate governance.

Independent Director is also expected to observe and comply with applicable laws, the charter documents of the Company and the rules, regulations and policies of the Company, in relation to his/her directorship and the business of the Company.

4. Remuneration:

Independent Director will be paid such remuneration by way of sitting fees for attending meetings of the Board and its Committees as laid down in the Nomination and Remuneration Policy of the company.

5. Conflict of Interest:

It is accepted and acknowledged that Independent Director may have business interests other than those of the Company. As a condition precedent to

commencement of the appointment, Independent Director is required to declare to the Company any such directorships, appointments and interests to the Board. Thereafter, Independent Director is required to declare to the Company whenever there is any change in the circumstances which may affect your status as an Independent Director.

6. Other terms and conditions:

i. Termination:

- a. Independent Director may resign from his position at any time by serving a reasonable written notice on the Board stating out the reason for resignation. Further, appointment of Independent Director may be terminated in accordance with applicable law.
- b. Continuation of appointment of Independent Director is contingent on his/her willingness to continue as an Independent Director, and getting re-appointed by the shareholders in accordance with applicable law. Independent Director will not be entitled to compensation in case the shareholders of the Company do not re-appoint him/her at any time.

ii. Confidentiality:

- a. All information in relation to the Company acquired by Independent Director during the appointment and tenure as an Independent Director is confidential and should not be disclosed to third parties unless required by law.
- b. Unless specifically authorized by the Company, the Independent Director shall not disclose Company and business information to public constituencies such as the media, the financial community, employees, members, agents, franchises, dealers, distributors and importers.
- c. In case of termination, resignation or non- renewal of appointment, Independent Director shall surrender any documents and other materials made available to them by the Company.

iii. Liability:

Subject to applicable law, for any breach of duties, Independent Director will be liable to consequence prescribed under applicable law and in relation to the Company, Independent Director would be liable for such acts of omission or commission by the Company which had occurred with his/her knowledge, attributable through Board processes, and with his/her consent or connivance, or where Independent Director has not acted diligently.

7. Miscellaneous:

- i. The appointment of Independent Director is also subject to the maximum permissible directorships that one can hold under applicable law, including as per the provisions of the Act.
- ii. Independent Director will not be in employment of the Company.
- iii. Independent Director will be reimbursed for all and any expenses incurred by him/ her in pursuance of conducting his duties as Independent Director of the company.

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